

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 153 – HB 249

April 13, 2015

SUMMARY OF BILL: Requires local governments that establish and maintain qualified retirement plans for its employees, who are not participants in the Tennessee Consolidated Retirement System (TCRS), to honor claims under qualified domestic relations orders, if the order relates to the provision of marital property rights for the benefit of the former spouse of the qualified plan's participant.

ESTIMATED FISCAL IMPACT:

On February 19, 2015, a fiscal note was issued on this bill with the following estimated fiscal impact:

Other Fiscal Impact – To the extent system modifications are necessary to accommodate additional payment options, there will be a one-time mandatory increase in local government expenditures of an unknown amount. To the extent no system modifications are required, the fiscal impact of this bill is considered not significant.*

After additional analysis of the information provided for the bill, as well as for information received subsequent to the issuance of the original fiscal note, it was determined that local government stakeholders could not ascertain definitively whether some local entities might incur system modification expenditures to effectuate the purpose of this bill. Based on all supporting information received for the bill, the fiscal impact is being corrected as follows:

(CORRECTED)

NOT SIGNIFICANT

Corrected assumptions:

- The Department of Treasury (DOT) requires TCRS to honor claims under a qualified domestic relations order at a time designated by the State Treasurer.
- Retirement benefit payments from local plans are made by electronic funds transfer (EFT) payments.
- There are 489 of local qualified retirement plans independent of TCRS.
- The fiscal impact of this bill is dependent upon several unknown factors such as the administrative cost for dividing and distributing qualified retirement benefits to multiple individuals as opposed to only distributing benefits to the participating member, and any

SB 153 – HB 249 (CORRECTED)

required costs for system modifications necessary to accommodate such additional payment options.

- To the extent system modifications are required to accommodate additional payment options, there could a one-time increase in local expenditures. However, based on only very limited information provided by local government stakeholders any such cost would likely be very small.
- To the extent system modifications are not required; any additional administrative workload on any one local government entity can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

/tdb